



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 22, 1999

H.R. 928 **2000 Census Mail Outreach Improvement Act**

As ordered reported by the House Committee on Government Reform on March 17, 1999

In conducting the decennial census in 2000, the Bureau of the Census will mail questionnaires to nearly 95 million households. H.R. 928 would require the bureau to mail a replacement questionnaire either to each household that does not respond to the original mailing or to all households. The bill would give the Secretary of Commerce the authority to choose whichever option he believes would result in the greater response rate.

Based on information from the Bureau of the Census and subject to appropriation of the necessary amount, CBO estimates that implementing H.R. 928 would cost either \$110 million—if replacement questionnaires are mailed just to nonrespondents—and \$275 million—if replacement questionnaires are mailed to all households. Based on the response rate for the 1990 census and information from the bureau, CBO estimates that around 40 percent of all households will not respond to the original questionnaire. The bureau expects to spend about \$160 million on postage for the original questionnaires and estimates that printing a second questionnaire for all households would cost \$75 million. Based on the experience of the dress rehearsal of the 2000 census, CBO estimates that the bureau would spend \$40 million to process questionnaires from a second mailing to all households. CBO cannot predict which of the two options the Secretary of Commerce would choose for replacement questionnaires. Sending a second mailing to all households could increase the overall response rate more than a targeted mailing because the bureau could reach nonrespondents more quickly. However, it is unclear whether the difference in the overall response rate would be significant.

In addition to the costs cited above, H.R. 928 could affect spending by the Bureau of the Census in two other ways, but CBO cannot estimate their effects. First, the bureau would likely incur additional costs to process more duplicate questionnaires if a complete second mailing is done. During the dress rehearsal, the bureau found that more than one-third of all second questionnaires that were returned were duplicates of original questionnaires. Second, because H.R. 928 could increase the rate of response by mail, it could reduce the costs for having temporary employees telephoning or visiting households that did not respond to the questionnaire.

H.R. 928 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 928 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact is Mark Hadley. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.